

Maintaining our legitimacy



Legitimacy

The board, assisted by the social and ethics committee, ensures the MultiChoice Group is, and is seen to be, a responsible corporate citizen by considering not only its financial performance, but also the business's impact on the environment and the societies where it operates. The group's purpose, values and strategy are aligned with the principles of responsible corporate citizenship.

Responsible corporate citizenship

The group's businesses manage numerous corporate citizenship initiatives affecting the workplace, economy, society and environment.

These include:

- BBBEE and employment equity performance for South African subsidiaries
- Local employment
- Health and safety laws
- Employee development opportunities
- Responsible tax policy
- Fraud and anti-bribery and anti-corruption initiatives
- Initiatives to minimise our environmental impact
- CSI initiatives
- Privacy and data protection

Ensuring compliance with laws and regulations

The group has a primary listing on the JSE and is subject to the JSE Listings Requirements, the guidelines in King IV and legislation applicable to publicly listed companies in South Africa. The board is responsible for ensuring the group complies with all its statutory requirements. The directors took steps to ensure, to the best of their knowledge, the group's compliance with all these requirements.

The group has a legal compliance programme led by the group legal compliance and ethics officer and segment legal compliance teams with support from external consultants.

The legal compliance programme includes:

- A legal compliance framework and roadmap, which sets out our legal compliance strategy, goals and objectives. It addresses the requirements of an adequate and fit-for-purpose legal compliance programme and provides for key activities to mitigate identified legal compliance risks.
- Groupwide policies built on the principles in the code. The revised legal compliance, anti-bribery and anti-corruption, sanctions and competition compliance policies were approved by the board. The anti-money-laundering policy and implementation strategy were updated, and all the compliance activities were performed as per the compliance plan and within the relevant statutory deadlines.

Future focus areas include continuing to raise awareness of the compliance principles, improving the framework based on emerging risks, incorporating feedback from risk assessments and/or monitoring activities and focusing on the implementation of enhanced third-party screening. The group has also acquired software which provides a complete compliance solution with electronic access to regulatory universes, legislation/regulations, compliance checklists, controls, complete audit trails, automated reporting, data analysis and the ability to upload documentary evidence for audit requirements.

Each segment is required to provide a quarterly legal compliance report to the group legal compliance function. This report includes an overview of key compliance risk areas and mitigating measures, key compliance regulatory developments and material compliance incidents and investigations.

The group legal compliance function uses these reports to compile a consolidated report provided to the risk and social and ethics committees.

Assurance on the effectiveness of compliance management is received through a combined assurance model.

Performance and future focus

Our key areas of focus during the reporting period were

- Revising the legal compliance-related policies, management processes and compliance culture
- Managing reputational risks
- Conducting risk-based compliance assessments to identify highest risk areas
- Implementing enhanced controls to address identified areas of improvement
- Enhancing reporting and monitoring mechanisms to the social and ethics committee
- Developing a compliance roles and responsibilities matrix,
- Updating applicable compliance statutes, rules and regulations
- Coordinating training and awareness campaigns

These arrangements enable the risk committee and the board to oversee the group's legal compliance holistically in a way that supports good corporate citizenship. Internal audit conducts regular governance reviews of the group legal compliance function to assess its adequacy and effectiveness.

Directors are satisfied that the MultiChoice Group complied and operated in conformity with:

- The provisions of the Companies Act and any other applicable laws relating to its incorporation
- The group's MOI and other relevant constitutional documents

Going forward, we will focus on

- Enhancing our compliance frameworks and controls
- Developing focused awareness campaigns and training interventions
- Revision of group social media policy
- Revision of various group policies
- Ongoing maturation of the third-party risk management framework
- Revision of the group whistleblower process, policies and training interventions